

What is claimed is:

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B1
1. A method for conducting a financial batch auction after a first period and before a second period, comprising the steps of:
    - receiving orders from one or more qualified participants, said orders representing a desire to execute a trade regarding a security;
    - concurrently with receiving said orders, transmitting information regarding said orders to said qualified participants;
    - terminating the receiving of orders;
    - discovering an optimal price at which a maximum number of shares will be executed;
    - executing a trade of said maximum number of shares at said optimal price; and
    - allocating said executed maximum number of shares fairly among orders that qualify according to a predetermined allocation procedure.
  2. The method for conducting a financial batch auction according to claim 1, wherein said orders include parameters describing a trade side, a security identifier, and a quantity of shares.
  3. The method for conducting a financial batch auction according to claim 1, wherein said orders have order types selected from the group consisting of unpriced orders, priced orders, and cross orders.
  4. The method for conducting a financial batch auction according to claim 1, wherein the batch auction is conducted concurrently with a continuous trading financial market.

1     10. A method of performing a batch auction of a  
2     security, comprising the steps of:  
3         - compiling an order book, wherein said compiling  
4     comprises receiving order information from qualified

1 <sup>B1</sup> participants, and entering orders into the order book  
2 and modifying or canceling orders within the order book  
3 based upon said order information;

4 - discovering an optimal price, wherein said  
5 discovering step comprises identifying one or more  
6 prices at which the batch auction would produce a  
7 maximum number of executed shares, and selecting one of  
8 said one or more prices as an optimal price; and  
9 - executing the batch auction at the optimal price,  
10 wherein said executing step comprises crossing orders  
11 within the order book at the optimal price, and  
12 allocating the executed shares pro-rata among orders  
13 having price requirements consistent with said optimal  
14 price.

1 11. The method of performing a batch auction of a  
2 security according to claim 10, wherein said order  
3 information comprises parameters describing a trade  
4 side, a security identifier, and a quantity of shares.

1 12. The method of performing a batch auction of a  
2 security according to claim 10, wherein said orders  
3 have order types selected from the group consisting of  
4 unpriced orders, priced orders, and cross orders.

1 13. The method of performing a batch auction of a  
2 security according to claim 10, wherein the batch  
3 auction is conducted concurrently with a continuous  
4 trading financial market.

1 14. The method of performing a batch auction of a  
2 security according to claim 13, wherein the batch  
3 auction is performed at the open or close of said  
4 continuous trading market.

- 1 31 15. The method of performing a batch auction of a  
2 security according to claim 10, wherein said optimal  
3 price is selected based upon a relative supply and a  
4 demand dictated by said order book.
- 1 16. The method of performing a batch auction of a  
2 security according to claim 15, wherein said selecting  
3 step further comprises comparing said relative supply  
4 and demand to a standard.
- 1 17. The method of performing a batch auction of a  
2 security according to claim 10, wherein during  
3 compiling said order book information comprising an  
4 indicated price and a net order imbalance is  
5 disseminated to qualified recipients.
- 1 18. The method of performing a batch auction of a  
2 security according to claim 10, wherein said canceling  
3 of and modifying of orders within the order book is  
4 restricted a predetermined time before said price  
5 discovering step begins.
- 1 19. The method of performing a batch auction of a  
2 security according to claim 10, wherein a designated  
3 intermediary is permitted to view said order book and  
4 to cover orders for unexecuted shares at said optimal  
5 price.
- 1 20. A computerized system for performing a batch  
2 auction of a security, comprising:  
3 - a computerized network having one or more  
4 computers in electronic communication with each other;

1 B1 > - an order receiving program running on one or more  
2 of said computers, wherein said receiving program is  
3 designed to receive a plurality of messages containing  
4 orders from one or more qualified participants, and to  
5 accept those orders that meet certain predetermined  
6 criteria;  
7 - an order book database located on one or more of  
8 said computers, wherein said order book database  
9 communicates with said order receiving program and  
10 stores each of said accepted orders received by said  
11 receiving program;  
12 - a price discovery program running on one or more  
13 of said computers, wherein said price discovery program  
14 refers to said order book database and calculates an  
15 optimal price upon which to transact a maximum number  
16 of shares of the security during the batch auction;  
17 - a batch auction execution program running on one  
18 or more of said computers, wherein said execution  
19 program executes the batch auction of said maximum  
20 number of shares of the security at a given execution  
21 time, and allocates said maximum number of shares of  
22 the security among said accepted orders according to a  
23 predetermined criterion; and  
24 - a notification program running on one or more of  
25 said computers, wherein said notification program  
26 publishes a predetermined selection of data from said  
27 order book database, and wherein said notification  
28 program notifies said qualified participants of results  
29 of said auction execution program.

1 21. The computerized system for performing a batch  
2 auction of a security according to claim 20, wherein  
3 said predetermined selection of data published by said

1     27. The computerized system for performing a batch  
2     auction of a security according to claim 20, wherein

30. A method for conducting a security batch auction cycle, said auction cycle having an order acceptance period, a price discovery period, and an order execution period, said method comprising the steps of:

- during a first of two stages of said order acceptance period:
  - accepting requests to enter auction orders into an order book, to modify auction orders within the order book, and to cancel auction orders within the order book during a first stage of said order acceptance period; and
  - selecting data from said order book, and publishing said selected data to one or more qualified recipients;
- during the second stage of said order acceptance period:
  - accepting late requests to enter auction orders into the order book if said late requests to enter meet a first set of criteria;

31/ - accepting late requests to modify orders within  
the order book if said late requests to modify meet a  
second set of criteria; and  
- publishing said selected data within said order  
book to said qualified recipients;  
- during said price discovery period:  
- identifying one or more prices at which the batch  
auction cycle would produce a maximum number of  
executed shares, and selecting one of said one or more  
prices as an optimal price; and  
- during said order execution period:  
- executing a trade of said maximum number of shares  
at said optimal price; and  
- allocating said executed maximum number of shares  
among the orders according to a predetermined  
criterion.

31. A method of performing an intermediated batch  
auction of a security, comprising the steps of:  
- receiving a plurality of orders from one or more  
qualified participants, each of said orders identifying  
a desire to trade shares of the security;  
- providing information to an intermediary regarding  
said plurality of orders, and accepting orders from  
said intermediary identifying a desire to trade an  
excess number of shares;  
- discovering an optimal price at which a maximum  
number of said shares identified by said plurality of  
orders will be executed;  
- executing a trade of said maximum number of shares  
and said excess number of shares at said optimal price;  
and



- 1 ~~B/D - allocating said executed maximum number of shares~~  
2 ~~and said excess number of shares fairly among orders~~  
3 ~~from said qualified participants and said intermediary.~~

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